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Memorandum

TO: BATA Oversight Committee

DATE: June 3, 2015

FR: Executive Director

W. I. 1254

RE: Contract Amendment – Collection Services: Law Enforcement Systems, LLC (\$400,000)

This requests Committee approval of a contract amendment with Law Enforcement Systems, LLC (LES) to add an additional \$400,000 in funding for collection services on toll violations and delinquent FasTrak® accounts for Fiscal Year 2014-15.

Background

In February 2014, following a competitive procurement, the BATA Oversight Committee approved a contract for LES to perform collection services on toll violations and delinquent FasTrak® accounts for a five-year term through June 30, 2019, with an option to extend for an additional five years in one-year increments.

LES performs collection services for the FasTrak® Customer Service Center as follows:

- (1) Collection services for outstanding toll violations occurring on the seven State-owned Bay Area bridges and Golden Gate Bridge that are not accepted for Department of Motor Vehicle (DMV) Hold. For a violation on a DMV hold that the DMV is unable to collect, the hold is released after 24 months. The violations are also sent to the collection agency.
- (2) Collection services for delinquent FasTrak® accounts closed due to non-payment.

LES is paid based on its recoveries at 25% on violations and closed delinquent accounts and 36% if the matter requires a court action.

For FY 2014-15, the contract was approved for an amount of \$700,000. However, staff anticipates an additional \$400,000 will now be needed. As of April 2015, for FY 2014-15, LES has already been paid \$675,000 on collections of \$2,700,000, an increase of 33% when compared to the entire collection of \$2,030,000 for FY2013-14. The contract has \$25,000 in funding remaining for FY 2014-15. An additional \$400,000 is requested to support collection activities and to cover the anticipated commission for the remainder of FY2014-15.

Attachment A includes a summary of LES and its project team's small and disadvantaged business enterprise status.

Recommendation

Staff recommends that this Committee authorize the Executive Director or his designated representative to negotiate and enter into a contract amendment with LES to increase funds for FY2014-15 by \$400,000 to a total of \$1,100,000 for this Fiscal Year for continued professional collection services.



Steve Heminger

SH: gl

Attachment A

	Firm Name	Role on Project	DBE* Firm			SBE** Firm		
			Yes	If Yes, List #	No	Yes	If Yes, List #	No
Prime Contractor	Law Enforcement Systems, LLC	Collections Services			X			X
Subcontractor	Greenbaum Law Group	Legal Collections			X			X

*Denotes certification by the California Unified Certification Program (CUCP).

**Denotes certification by the State of California.

REQUEST FOR COMMITTEE APPROVAL
Summary of Proposed Contract Amendment

Work Item No.:	1254
Vendor:	Law Enforcement Systems, LLC Milwaukee, WI
Work Project Title:	Collection Services
Purpose of Project:	Add funds to collection services for toll violations and delinquent FasTrak [®] accounts for FY 2014-15.
Brief Scope of Work:	Perform collection services for delinquent FasTrak [®] accounts and for toll violations occurring on the seven State-owned Bay Area bridges and Golden Gate Bridge. The seven State-owned Bay Area bridges are: Antioch, Benicia, Carquinez, Dumbarton, Richmond-San Rafael, San Francisco-Oakland, and San Mateo-Hayward.
Project Cost Not to Exceed:	This amendment: \$400,000 Total contract value before this amendment: \$4,700,000. Total value of contract after amendment: \$5,100,000.
Funding Source:	BATA violation revenue
Fiscal Impact:	FY2014-2015 BATA Operating Budget
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with Law Enforcement Systems, LLC for the services described above and in the Executive Director's Memorandum dated June 1, 2015, and the Chief Financial Officer is authorized to set aside funds in the maximum amount of \$400,000 for such contract amendment, subject to the approval of operating budget for FY2014-2015.
BATA Oversight Committee:	<hr/> Amy Rein Worth, Chair
Approved:	Date: June 10, 2015